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# THE Marketing and Transportation SITUATION

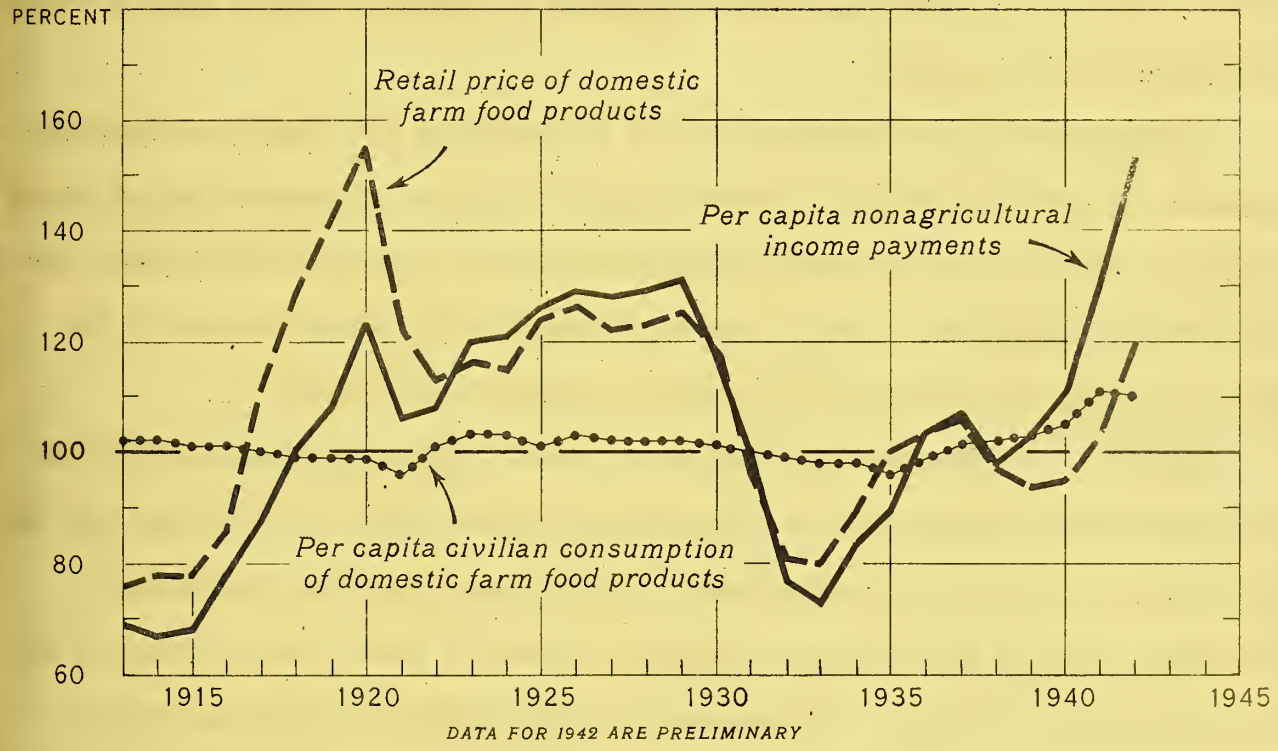
BUREAU OF AGRICULTURAL ECONOMICS  
UNITED STATES DEPARTMENT OF AGRICULTURE

MTS-7



DECEMBER 1942

PER CAPITA NONAGRICULTURAL INCOME PAYMENTS, PER CAPITA CIVILIAN CONSUMPTION OF FOOD PRODUCTS, AND RETAIL PRICE OF FOOD PRODUCTS, UNITED STATES, 1913-42  
INDEX NUMBERS (1935-39=100)



U. S. DEPARTMENT OF AGRICULTURE

NEG. 42764 BUREAU OF AGRICULTURAL ECONOMICS

Civilian supplies of foods, although large, cannot satisfy the unprecedented levels of consumer demand brought about by high incomes under controlled prices. Rationing is designed to equalize the quantities of foods made available to individual consumers, many of whom otherwise would be unable to obtain their share of the total supply.

## THE MARKETING AND TRANSPORTATION SITUATION, DECEMBER 1942

## SUMMARY

Marketing charges on farm food products rose about 1 percent from mid-October to mid-November, in line with advances in retail prices and prices received by farmers. The farmers' share of the retail food dollar was 54 cents, unchanged since August. Prices received by farmers for food products rose 3 percent from November to December.

Rationing of foods will move into a new phase early in 1943 when canned, dried, and frozen fruits and vegetables and canned soups are rationed on the point basis. This type of rationing allows consumers a degree of choice among purchases of items within the group.

Operators of farm trucks can appeal from mileage and gasoline allowances specified in the Certificate of War Necessity when these allowances do not appear adequate. The Office of Defense Transportation has provided for an appeals procedure through local war agencies and has postponed the effective date of the order requiring certificates for continued operation of trucks.

Meat and poultry products have been covered under OPA orders specifying dollars-and-cents maximum prices at wholesale levels. Styles of cutting beef and lamb carcasses have been standardized to facilitate effective price control. The OPA on December 22 announced a revised program of local price control at retail and wholesale levels. The new program will eliminate individual dealer ceilings, and will substitute uniform mark-ups over cost, according to classes of dealers. Uniform mark-ups will be replaced later by uniform dollars-and-cents maximum prices for each community and class of dealers, as determined by local OPA field offices.

Removal of some interstate barriers to rail and truck transportation of farm products has been effected for the duration of the war, and elimination of other barriers to internal trade is being considered.



# INTERNAL TRADE BARRIERS AND THE WAR EFFORT

In 1939 the Bureau of Agricultural Economics issued a research report entitled "Barriers to Internal Trade in Farm Products" which stimulated a great deal of interest in the subject. Soon after the release of this report the Council of State Governments held a national conference on interstate trade barriers, which was attended by many State and Federal officials who endorsed the movement to free interstate commerce of unnecessary restrictions. It was recognized that many State and local laws restricting the movement of commodities were preventing the most efficient use of our national resources, and that these obstacles to trade arising from a desire for local and regional advantage tended to be self-defeating, since advantages gained by one locality are more or less offset by direct or indirect retaliatory measures taken by competing areas. Following this conference an interdepartmental committee was set up by the Federal Government to work with the States on a program for removing restrictions on interstate trade, with the committee leadership vested in the Department of Commerce.

These developments apparently did contribute to slowing down the trend toward increase in internal trade barriers, but relatively little was accomplished in eliminating those restrictions already on the statute books.

After the United States entered the war it became increasingly apparent that such restrictive laws and regulations, disruptive in time of peace, are completely out of harmony with the war effort. They hinder all-out productive effort and also add to the difficulties of distributing the relatively limited supplies of agricultural products efficiently and equitably in view of wartime shifts in populations and altered regional needs.

Successful prosecution of the war requires the utmost efficiency in the use of transportation facilities. Early in 1942 attention was called to the fact that transportation of commodities and war materials was being seriously impeded by diversity of State laws and regulations with respect to the sizes and weights of commercial motor vehicles and by the lack of reciprocity in licensing. The matter was taken up with State governors in May 1942, and on June 2, 1942, it was announced that the governors of all the States had voluntarily adopted an emergency formula establishing the lowest maximum standards to govern the States' motortruck sizes and weights restrictions. Agreements also were reached with respect to reciprocal license arrangements, in order to remove barriers to the transportation of war materials.

These agreements largely eliminate for the present the conflicting truck regulations which were hampering war transportation. Permanent regulations are needed to govern the operation of motor vehicles, which would allow truck operators the greatest latitude possible consistent with safety and with the ability of highways and bridges to carry loads without failure.

State laws limiting the length of railroad freight and passenger trains were found to impede the war effort by interfering with transportation. This obstruction was removed by an order of the Interstate Commerce Commission which took effect September 15, 1942, suspending the operation of these laws for the duration of the war emergency. This order specified that railroads subject to the Interstate Commerce Act shall operate their trains, when necessary for prompt movement of freight and the clearing or avoidance of congestion by other freight or passenger trains, without regard to any regulations, practices, or laws in the various States, limiting the length of freight trains to not more than one-half mile and limiting the number of cars in a railroad freight train to 70, or limiting the number of cars in a railroad passenger train to 14 or 16.

It was stated that this order shall remain in effect during the war, unless sooner terminated by order of the Commission, and that this order, being based upon conditions of war emergency, shall not constitute a precedent for peacetime operations. The order apparently relieves for the present the restrictive influence of these State laws on railroad transportation, particularly for interstate commerce.

With the development of the war effort, adequate supplies of food products become of increasing importance. Local laws or regulations which interfere with the production or distribution of these products may interfere with the war effort. Difficulties already encountered involve laws and regulations requiring that all milk sold in the State or municipality must come from farms that have been inspected and licensed by officials of the State or municipality into which the milk is shipped. Such laws and regulations, in view of difficulties of inspecting and certifying dairy farms outside the local area, may complicate the problem of obtaining adequate supplies of dairy products for civilian and military needs in areas where local supplies are not adequate.

With a shortage of edible fats and oils to meet all needs, laws and regulations applying to the manufacture and sale of margarine become of increasing importance. Many States impose taxes, license fees and other regulations that restrict the manufacture and sale of margarine. Such measures deprive families with small incomes of a low-cost source of fat, and increase their difficulties in securing an adequate diet.

Other restrictions on the movement of commodities which may impede the war effort include lack of uniformity of grading, weights and measures, container and labeling requirements, fertilizer control measures, plant quarantines, inspection laws and regulations, and emigrant agent and other statutes regulating the employment of labor.

Recognizing the importance of these barriers in connection with the war food production and distribution program, the Secretary of Agriculture in the fall of 1942 appointed a committee to make recommendations to him for specific action designed to eliminate unnecessary or undesirable internal barriers to agricultural trade which were hampering the war effort.

#### CURRENT MARKETING AND TRANSPORTATION DEVELOPMENTS

##### Research Under Way on Methods of Increasing Output of Frozen Fruits and Vegetables and Marketings of Fresh Produce

Limitations on the supply of canned fruits and vegetables for civilian use in 1943-44 might be partly offset by increased output of some other forms of processed fruits and vegetables and possibly by increased marketing of fresh produce. These possibilities are being studied by the Division of Marketing and Transportation Research of the Bureau of Agricultural Economics in a research project which has been under way since last summer.

With the cooperation of the International Association of Ice Cream Manufacturers, which has furnished the assistance of some of the leading technicians of the industry and collaborated in obtaining statistics on distributing capacity and other aspects of the problem, the Bureau has found that the use of ice cream freezing equipment in freezing fresh fruits and vegetables is quite practicable. Products of satisfactory quality can be frozen with this equipment without the need for large additional amounts of critical materials. These experiments have been carried on in New York City, Philadelphia, and Washington.



As a result of the experiments, thousands of ice cream manufacturers and retailers affected by the shortages of butterfat, sugar, and other materials used in ice cream manufacture may be in a position to devote part of their facilities to frozen fruits and vegetables. The potential volume of such products that may be handled by the industry depends largely upon two factors: (1) The amount of refrigerated storage space which can be made available for carrying the frozen products from the summer and fall production period over to the winter consumption season; and (2) the arrangements which can be made for cooperation between ice cream manufacturers and canners for use by the ice cream manufacturers of the surplus produce that in normal times would go into cans, and for use of facilities of the canning industry for pre-preparation of products for freezing.

In dealing with the storage problem, the possibility of using some of the storage facilities of the ice manufacturing industry, without interfering with the manufacture and sale of ice, are being investigated with the cooperation of manufacturers of ice and ice machinery.

Although the research is incomplete and final potentialities are not yet known, prospects are sufficiently promising to indicate that many ice cream manufacturers and dealers may be able to make an inexpensive shift to wartime operations. Such a shift would help to supplement limited sources of processed fruits and vegetables and at the same time help maintain the ice cream makers' volume of business despite the necessity for wartime conservation of materials used in manufacture of ice cream. Moreover, if the ice cream industry is able to develop these opportunities, it will mean in some cases the continuance of markets for agricultural producers who otherwise might be faced with restricted outlets for products which ordinarily go into other forms of processing.

As part of this research project, the production and sales of canned vegetables, by months and regions, are being studied to determine if produce ordinarily going into cans can be diverted to fresh use. The possibilities of other shifts in production and marketing in relation to canned foods utilization also are being studied.

#### Mileage rationing for farm motortrucks

A mileage rationing program for trucks was announced last fall by the Office of Defense Transportation. This program is to be enforced by use of Certificates of War Necessity, which must be obtained by truck operators in order for the trucks to continue operation. The effective date of the O.D.T.'s order has been postponed and at the present has not been finally set.

O.D.T. has assured farmers that their truck transportation needs will be looked after. In a statement issued December 1, farmers, stock raisers, and dairymen were told, "No farmer is to be put out of business as a result of the Office of Defense Transportation's Certificate of War Necessity Plan. As long as the tires, spare parts, and gasoline are available, the O.D.T. will help every farmer to get enough of them to carry on his necessary truck operations."

The statement provides for an appeals procedure to correct any inadequacies in mileage and gasoline rations. Any farmer dissatisfied with the mileage and gasoline allowed in the Certificate of War Necessity is invited to take up the matter with his County War Board, or County Farm Transportation Committee and request adjustments. In this manner, until difficulties can be ironed out, O.D.T. hopes to provide temporarily for the essential truck requirements of farmers.

### Point Rationing of processed fruits and vegetables to begin in February

The Secretary of Agriculture and The Office of Price Administration have announced that rationing of canned, dried and frozen fruits and vegetables and soups will begin in February.

Rationing of these two important groups of food products will be on the point or group basis. Point rationing is as yet unfamiliar to consumers in the United States, but it has been tested with rather favorable results in Great Britain and Europe. This type of rationing controls the total volume of purchases per consumer for the entire group of items, while permitting a wide degree of freedom of choice among purchases of items within the group. The operation of point rationing is established by:

- (1) Defining the group of items having similar use and a high degree of substitution in consumption.
- (2) Assigning a "point value" per-unit to each item in the group. The point value in ration coupons or stamps must be surrendered by the consumer to the seller for each unit purchased.
- (3) Alloting a "point quota" per consumer for the group in coupons or stamps which may be applied in purchase of any items in the group, within a stated period of time.

The point rationing system permits consumers to expend their point quotas in the purchase of those items in the group which they prefer. Consumer demand is influenced by changing the relative point values, to reduce or increase the demand for any item. Suitable choice of both the point quota and point values could adjust the quantity demanded of every food item in the group to the available supply.

### Dollars-and-cents maximum prices established for important food products

Beef, lamb, and mutton carcasses and wholesale cuts, sold by packers and wholesalers, recently were given dollars-and-cents maximum price ceilings. These new maximum prices replace individual ceilings which were determined by selling prices during a base period. The maximum price regulations fixing the dollars-and-cents prices standardize the cuts obtained from carcasses and establish maximum prices for each cut. Grade and geographic price differentials take account of differences in costs of production and transportation. The maximum charges for transportation and local delivery that may be added to the basic dollars-and-cents prices are specified in the regulations. Fixed deductions from these prices are required for carlot sales and sales to independent wholesalers.

Retail prices of beef and lamb are not affected by the new regulations and continue under the individual ceilings established by earlier orders. Prices of mutton were uncontrolled until October 5, 1942, when ceilings were established by a 60-day temporary order at the individual sellers' top prices during the period September 28 to October 2. When this order expired on December 3, the price of mutton was left uncontrolled until December 23, when Revised Maximum Price Regulation No. 269 became effective, fixing ceilings on lamb and mutton.



During the interval in December, mutton prices advanced materially. Prices set by the new order average 3 cents per pound above those prevailing in wholesale establishments from September 28 to October 2. As a result, retailers are permitted to add 3 cents to the individual ceilings set by their prices during that base period. The Office of Price Administration has announced that it will soon order maximum retail prices to be determined by specified mark-ups over net costs.

Pork wholesale cuts when sold by packers and wholesalers had previously been given dollars-and-cents maximum prices, but prices of veal still are under individual ceilings, determined by selling prices during a base period. The prices of live meat animals are without direct controls.

All types of poultry were given dollars-and-cents maximum wholesale prices by Revised Maximum Price Regulation No. 269 (Poultry and Eggs), effective December 18, 1942. Individual ceiling prices for poultry were fixed by Temporary Maximum Price Regulation No. 22 at the seller's highest price from September 28 to October 2, 1942. The original Maximum Price Regulation No. 269, issued before Thanksgiving, established maximum dollars-and-cents prices for turkeys.

The revised regulation fixed dollars-and-cents wholesale prices for all types of poultry at New York and the 4 principal Pacific Coast Cities, which are designated as base points. Maximum prices at other points are determined by the amount of the shipping cost to the basing point that is nearest freight-wise. In determining the shipping cost, allowance is made for tare and icing. Specified amounts may be added to the basic wholesale prices to compensate for specific and special services performed by wholesalers. In the case of turkeys, an allowance for carrying charges is made by permitting specified increases in maximum prices as the season progresses.

The retailers' ceiling prices for turkeys are determined by fixed mark-ups over net costs. For other types of poultry the ceiling prices continue to be at the seller's highest price from September 28 to October 2, 1942. However, according to the Office of Price Administration, these individual ceilings will be replaced soon with ceilings to be determined by fixed mark-ups over net costs.

The Office of Price Administration on December 22 announced a new program to become effective in January, for control of retail food prices. The object is to simplify the regulations and make them more uniform by eliminating individual store ceilings tied to a base period. Fixed mark-ups over cost at retail and wholesale will first be set according to types of dealers. Then, as rapidly as possible, local OPA field offices will translate individual ceilings for important items, beginning with meats and soap, into specific dollar-and-cents ceilings for stores of each class in each community. Margins will not be set so high as to cover costs of inefficient operators, but will cover costs in reasonably efficient stores.

#### Measures affecting the marketing of dairy products

Acting to assure an adequate supply of butter for the armed forces and Lend-Lease requirements during this period of seasonally low production, the War Production Board on November 20, 1942, froze until March 6, 1943, one-half of the supply of butter held in cold storage in the 35 principal butter markets in the United States.

The freezing order was made necessary by abnormally low stocks and the strong consumer demand for butter at present prices. Temporary Maximum Price Regulation No. 22 and Maximum Price Regulation No. 280, which established ceiling prices for butter, did not provide for seasonal variations in prices.

With the intention of shifting a larger proportion of the available butter-fat to the production of butter, the War Production Board early in December ordered that the production of ice cream and other frozen desserts in December and January be reduced by 40 percent below the October output. This reduction amounts to about a 20 percent cut below what would normally have been produced in those months.

A few days earlier the War Production Board, in accordance with a recommendation of the Food Requirements Committee, prohibited dairy producers from distributing whipping cream or other heavy cream. This order was to conserve fluid milk for use in that form and for manufacture of dried whole milk, cheese, butter, and some other manufactured products.

In December the U. S. Department of Agriculture announced that the Government would buy at a price of 27 cents per pound (Plymouth, Wis., basis) all American Cheddar Cheese produced by factories and that it would sell this cheese back to the factories immediately for 23-1/4 cents a pound (Plymouth basis). The purpose of this subsidy is to afford to producers a price high enough to assure an adequate supply of cheese and at the same time hold firm the present ceiling price.

A mimeographed publication of the Bureau entitled "Livestock Transportation and Processing Problems in 1942" is now available. This report deals with some of the problems involved in processing and transporting the unprecedented volume of livestock marketings in 1943 and 1944. Requests for copies should be addressed to the Division of Economic Information, Bureau of Agricultural Economics, U. S. Department of Agriculture, Washington, D.C.

#### FARM-RETAIL PRICE SPREADS, NOVEMBER 1942

Retail prices, farm prices, and marketing charges all advance into November

Charges for marketing the equivalent of annual family purchases of domestic farm food products increased \$2 from October into November, to equal the 1935-39 pre-war average of \$191. Food marketing charges, as measured by the spread between retail cost of 58 foods to consumers and equivalent payments to farmers, were 1 percent above October 1942 and 4 percent higher than in November 1941. The "annual basket" of farm food products (58 foods combined in quantities representing annual purchases by a typical workingman's family) at retail cost consumers at the rate of \$418 per year in November, up 1 percent from October, up 15 percent from November 1941, and 26 percent above the pre-war 1935-39 level of food costs.

Payments to farmers for products in the food basket rose less than 1 percent from October to November, reaching a level of \$227. This figure was 25 percent higher than in November 1941, and 61 percent above the 1935-39 pre-war average of \$141. The farmer's share of the retail food dollar continued at 54 cents, unchanged since August. Payments to farmers for these products rose an additional 3 percent from November to December.



## Family income keeps pace with rising food prices

Through all months of 1942, retail costs of a family food basket have amounted to a share of the average consumer's income no larger than in 1941. The cost of all foods has held at 22 percent of family income, with domestic farm food products representing 17 percent. These income shares reflect retail food prices which are at record lows in relation to income. These relations are indicated by the cover chart of this issue.

## Retail food costs higher than in 1929, margins lower

For the first time since 1930 the retail cost of farm food products, at \$418 in November, exceeded the 1929 cost of \$415. At the inflated price level of 1920, the same foods cost \$514 at retail, 23 percent higher than present food costs.

The November level of marketing charges, as measured by the margin, was 13 percent lower than in 1929 and 21 percent below the \$242 in 1920. Through the months of 1942 a slight upward trend in food marketing charges is indicated. The level will average about \$189 for the year, compared to \$178 in 1941.

With the marketing margin in November 1942 equal to the pre-war 1935-39 average, the full dollar increase over pre-war in retail cost to consumers, amounting to \$86, has been passed back to farmers who have also benefited through increased volume of sales.

## Retail prices of uncontrolled foods rise sharply.

While retail prices of all foods rose little more than 1 percent from October to November, prices of those foods excepted from price control regulations (fresh fruits and vegetables, peanut butter and fish) advanced on the average nearly 7 percent. Reports of the U. S. Bureau of Labor Statistics indicate that uncontrolled foods amount to 11 percent of the family food bill. Ceiling adjustments permitted in October affected items making up 13 percent of the family food bill and retail prices of this group advanced more than 1 percent over the month.

## Pork margins widen, beef margins lower

Pork product prices advanced at retail by 1 percent from October to November whereas prices received by farmers for hogs, adjusted for by-products values, declined 4 percent. The pork product margin in November rose to 9.1 cents per composite pound of major retail products, nearly equal to the 1941 average farm-retail spread. The Chicago packers' margin between cost of live hogs and plant sales value of all fresh pork products for the week ended December 12 was somewhat above the average level for December, at 98 cents per 100 pounds live hogs, compared with 88 cents for the corresponding week of 1941. The margin for the entire month of December 1942 averaged below 60 cents.

The average retail price of beef products, at 35.9 cents per composite pound, was unchanged from October to November and 13 percent higher than in November 1941. Estimated equivalent payments to farmers for good grade beef cattle, adjusted for by-product value, rose slightly and the farm-retail spread at 9.7 cents was the lowest for several years. The revised farm-retail spread for lamb carcass products is at a relatively high level compared to margins of other meat products, exceeding the 1935-39 pre-war level by 10 percent.



### Smaller marketing margins for several food items

Charges for marketing from farmers to consumers declined from October into November for a number of important retail food items, including beef, lamb, dairy products, eggs, oranges, potatoes, sweetpotatoes, navy beans and rice. A substantial rise in the margin for pork products and smaller increases for several other foods more than offset these declines, with a net increase of 1 percent in the margin for all 58 foods combined. The increase in average food marketing charges over a year ago of 4 percent results from variable changes by items. Compared with November 1941, the margin for peanut butter is up 61 percent, for hens up 44 percent, while the margin for beef products is down 25 percent, for pork products down 11 percent, and for potatoes down 8 percent.

### Cottonseed margins higher than in 1941

The spread between estimated sales value of oil, meal, linters, and hulls at cottonseed crushing mills and payments to farmers for seed crushed amounted to \$21.60 per ton of seed in November 1942. This was 21 percent above the seasonal average margin of \$17.80 for 1941-42 and 47 percent higher than the seasonal low of \$14.70 in November of 1941. Mill sales value of all products per ton of seed was \$67.10 in November, compared to a \$65 average for the 1941-42 season. Farmers received \$45.50 per ton for seed crushed in November 1942, 4 percent below the previous season's average, but slightly above the value in November 1941.

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### CORRECTION

In the September - October issue of this publication there appeared on page 19 the words " . . . . the prevailing (cotton) mill margin appeared justified."

Taken in context, it seemed quite obvious that this statement meant that the margin appeared to bear an approximately normal relation to the prevailing combination of per unit labor costs, wholesale prices of lint cotton, and spindle activity. The editors find, however, that some readers interpreted this statement in an ethical sense. Whether or not cotton mill margins are justified depends upon the criteria used as a basis for judgment, and the selection of such criteria must be a subjective rather than an objective scientific matter. The editors of this publication have no desire or intention to pass judgment on the justice of any marketing margin, something which is the prerogative of the people, their elected representatives and the courts, rather than of a fact-finding research agency.

Table 1 .- Annual family purchases of 58 foods 1/

Year and month	: Cost to : Paid to : Marketing : Farmer's share of			
	: retail : farmers : margin : retail value			
	: Dollars	Dollars	Dollars	Percent
1913-15 average .....	256	135	121	53
1920 .....	514	272	242	53
1929 .....	415	195	220	47
1935-39 average .....	332	141	191	42
1940 .....	314	132	132	42
1941 .....	342	164	173	48
1941 - Nov. ....	365	182	183	50
Dec. ....	366	189	177	52
1942 - Jan. ....	378	194	184	51
Feb. ....	381	195	186	51
Mar. ....	384	196	186	51
Apr. ....	386	201	185	52
May ....	392	202	190	52
June ....	398	204	194	51
July ....	401	209	192	52
Aug. ....	402	216	186	54
Sept. ....	405	217	188	54
Oct. ....	414	225	189	54
Nov. ....	418	227	191	54

1/ Important food products produced by American farmers combined in quantities representing annual purchase by a typical workingman's family.

2/ Revised.

Retail price averages for 51 cities from U.S. Bureau of Labor Statistics.

Table 2.- Nonfarm family income and cost of family food purchases for selected periods 1/

Year and month	: Family : Retail : Retail : Food cost as percentage					
	: income : cost of : cost of : of income					
	: <u>2/</u>	: all	: 58	: All	: 58	
	: Dollars	Dollars	Dollars	Percent	Percent	
1920 .....	1,857	638	514	37	28	
1929 .....	1,979	540	415	27	21	
1933 .....	1,105	343	264	31	24	
1935-39 average.....	1,506	408	332	27	22	
1941 .....	1,956	430	342	22	17	
1942 - June .....	2,303	502	398	22	17	
July .....	2,339	508	401	22	17	
Aug. ....	2,358	514	402	22	17	
Sept. ....	2,373	516	405	22	17	
Oct. ....	2,407	528	414	22	17	

1/ For sources of material used in this table see "Farm-Retail Price Spreads, December 1941, p. 5" (Note at foot of table.) 2/ New series.

Table 3 .- Price spreads between the farmer and the consumer -  
food products, November 1942

Retail commodity	Table No.	Retail		Farm equivalent		Farm value	
		Unit	Price	Quantity	Value	Actual margin	as percent of retail price
Pork products	11	1 lb. prin.	30.3	1.90 lb. live hog	25.5	4.8	84
Dairy products	12	100 lb. milk equivalent	427.8	100 lb. milk equivalent	2/237.2	190.6	55
Hens	13	1 lb.	42.7	1.11 lb.	21.8	20.9	51
Eggs	14	1 doz.	59.0	1 doz.	38.9	20.1	66
White flour	15	1 lb.	5.5	1.41 lb. wheat	2.5	3.0	45
White bread	16	1 lb.	8.6	0.97 lb. wheat	1.7	6.9	20
Corn meal	17	1 lb.	5.1	1.5 lb. corn	2.0	3.1	39
Rolled oats	18	1 lb.	8.8	1.78 lb. oats	2.5	6.3	28
Corn flakes	19	8-oz. pkg.	7.0	1.275 lb. corn	1.7	5.3	24
Wheat cereal	20	28-oz. pkg.	24.1	2.065 lb. wheat	3.6	20.5	15
Rice	21	1 lb.	12.6	1.51 lb. rough rice	4.9	7.7	39
Navy beans	22	1 lb.	9.2	1 lb. dry beans	5.1	4.1	55
Oranges	24	1 doz.	45.0	1/17 box	18.4	26.6	41
Potatoes	25	1 lb.	3.4	1 lb.	1.8	1.6	53
Apples	35	1 lb.	6.7	1 lb.	2.6	4.1	39
Lamb products	37	1 lb. prin.	35.4	2.16 lb. live lamb	26.0	9.4	73
Sweetpotatoes	38	1 lb.	5.2	1 lb.	1.9	3.3	37
Rye bread	39	1 lb.	9.2	0.39 lb. rye & 0.64 lb. wheat	1.5	7.7	16
Whole wh. bread	40	1 lb.	10.0	0.92 lb. wheat	1.6	8.4	16
Macaroni	41	1 lb.	14.1	1.72 lb. durum wheat	2.7	11.4	19
Soda crackers	42	1 lb.	16.6	1.085 lb. wheat	1.9	14.7	11
Peanut butter	44	1 lb.	29.0	1.73 lb. peanuts	10.3	18.7	36
58 foods combined	8	Annual family consumption	\$418	Annual family consumption	\$227	\$191	54

1/ Table numbers refer to numbering in original 1936 report and annual supplements entitled "Price Spreads Between the Farmer and the Consumer."

2/ Preliminary.

Retail prices from the United States Bureau of Labor Statistics.



Table 4.- Price spreads between the farmer and the consumer - food products, retail price and farm value

Commodity	Retail unit	Retail price			Percentage			Farm value	Percentage						
		: change to			: change to										
		: Nov. : Oct. : Nov. : Oct. : Nov. : Oct. : Nov. : Oct. : Nov. : Oct. : Nov. : Oct. : Nov. : Oct. : Nov. : Oct.													
: 1935-39 : 1941 : 1942 : 1941 : 1942 : 1941 : 1942 : 1941 : 1942 : 1941 : 1942 : 1941 : 1942 : 1941 : 1942															
		Cents	Cents	Cents	Percent	Percent	Percent	Cents	Cents	Cents	Percent	Percent	Percent	Percent	Percent
Pork products	1 lb. prin. pork	25.3	25.5	30.0	30.3	+ 19	+ 1	1.90 lb. live hog	15.7	18.4	26.8	25.5	+ 39	- 5	
Dairy products	100 lb. milk equiv.	324.0	389.4	424.5	427.8	+ 10	+ 1	100 lb. milk equiv.	146.0	202.8	231.7 <sup>2</sup>	237.2	+ 17	+ 2	
Hens	1 lb.	31.7	31.7	42.4	42.7	+ 35	+ 1	1.11 lb.	16.5	17.2	21.6	21.8	+ 27	+ 1	
Eggs	1 doz.	36.0	51.9	58.5	59.0	+ 14	+ 1	1 doz.	21.7	35.5	37.4	38.9	+ 10	+ 4	
White flour	1 lb.	4.5	4.8	5.5	5.5	+ 15	0	1.41 lb. wheat	2.0	2.2	2.4	2.5	+ 14	+ 4	
White bread	1 lb.	8.2	8.5	8.6	8.6	+ 1	0	.97 lb. wheat	1.3	1.5	1.7	1.7	+ 13	0	
Corn meal	1 lb.	5.0	4.4	5.1	5.1	+ 16	0	1.5 lb. corn	1.8	1.7	2.1	2.0	+ 18	- 5	
Roller oats	1 lb.	7.4	7.5	8.7	8.8	+ 17	+ 1	1.78 lb. oats	1.9	2.3	2.4	2.5	+ 9	+ 4	
Corn flakes	18-oz. pkg.	7.8	7.1	7.0	7.0	- 1	0	1.275 lb. corn	1.6	1.5	1.8	1.7	+ 13	- 6	
Wheat cereal	28-oz. pkg.	24.3	23.8	24.0	24.1	+ 1	3/	2.065 lb. wheat	2.9	3.2	3.6	3.6	+ 12	0	
Rice	1 lb.	8.2	9.1	12.5	12.6	+ 38	+ 1	1.51 lb. rough rice	2.5	4.0	4.7	4.9	+ 22	+ 4	
Navy beans	1 lb.	6.9	8.3	9.2	9.2	+ 11	0	1 lb. dry beans	3.5	4.8	5.0	5.1	+ 6	+ 2	
Oranges	1 doz.	31.5	38.1	44.5	45.0	+ 18	+ 1	1/17 box	9.3	9.1	14.5	18.4	+ 102	+ 27	
Potatoes	1 lb.	2.5	2.6	3.4	3.4	+ 31	0	1 lb.	1.2	1.3	1.7	1.8	+ 38	+ 6	
Apples	1 lb.	5.5	5.3	6.2	6.7	+ 26	+ 8	1 lb.	1.9	2.0	2.4	2.6	+ 30	+ 8	
Lamb products	1 lb. prin. lamb cuts	27.2	28.4	35.2	35.4	+ 25	+ 1	2.16 lb. live lamb	16.2	21.0	25.6	26.0	+ 24	+ 2	
Sweet potatoes	1 lb.	4.4	4.2	5.6	5.2	+ 24	- 7	1 lb.	1.5	1.5	2.0	1.9	+ 27	- 5	
Rye bread	1 lb.	9.1	9.1	9.2	9.2	+ 1	0	.39 lb. rye and .64 lb. wheat	1.3	1.4	1.5	1.5	+ 7	0	
Whole wheat bread	1 lb.	9.3	9.9	10.0	10.0	+ 1	0	.92 lb. wheat	1.3	1.4	1.6	1.6	+ 14	0	
Macaroni	1 lb.	15.0	14.0	14.1	14.1	+ 1	0	1.72 lb. durum wheat	2.3	2.3	2.7	2.7	+ 17	0	
Soda crackers	1 lb.	16.9	15.2	16.6	16.6	+ 9	0	1.085 lb. wheat	1.5	1.7	1.9	1.9	+ 12	0	
Peanut butter	1 lb.	19.3	19.6	28.2	29.0	+ 48	+ 3	1.73 lb. peanuts	6.1	8.0	10.0	10.3	+ 29	+ 3	
58 foods combined	Annual family consumption	\$ 332	\$ 365	\$ 414	\$ 418	+ 15	+ 1	Annual family consumption	\$ 141	\$ 182	\$ 225	\$ 227	+ 25	+ 1	

Retail prices are 51-city averages as published by the United States Bureau of Labor Statistics - Farm values are calculated from U. S. average farm price.

1/ Revised. 2/ Preliminary.

3/ Less than 0.5 percent.

Table 5 .- Price spreads between the farmer and the consumer - food products, margins, and farm value as percentage of retail price

Commodity	Retail unit	Margin		Percentage		Farm value as percentage of retail price	
		Nov. : 1941 : 1942		Nov. : 1941 : 1942		Nov. : 1941 : 1942	
		Cents	Cents	Percent	Percent	Percent	Percent
Pork products	1 lb. prin. pork	9.6	7.1	3.2	4.8	- 32	4.50
Dairy products	100 lb. milk equiv.	178.0	186.6	1/192.8	2/190.6	2	- 1
Hens	1 lb.	15.2	14.5	20.8	20.9	44	3/
Eggs	1 doz.	14.3	16.4	21.1	20.1	23	- 5
White flour	1 lb.	2.5	2.6	3.1	3.0	15	- 3
White bread	1 lb.	6.9	7.0	6.9	6.9	1	0
Corn meal	1 lb.	3.2	2.7	3.0	3.1	15	3
Rollod oats	1 lb.	5.5	5.2	6.3	6.3	21	0
Corn flakes	8-oz. pkg.	6.2	5.6	5.2	5.3	5	2
Wheat cereal	28-oz. pkg.	21.4	20.6	20.4	20.5	3/	3/
Rice	1 lb.	5.7	5.1	7.8	7.7	51	- 1
Navy beans	1 lb.	3.4	3.5	4.2	4.1	17	- 2
Oranges	1 lb.	22.2	29.0	30.0	26.6	8	- 11
Potatoes	1 lb.	1.3	1.3	1.7	1.6	2	- 6
Apples	1 lb.	3.6	3.3	3.8	4.1	24	8
Lamb products	1 lb. prin. lamb	11.0	7.9	9.6	9.4	19	- 2
Sweetpotatoes	1 lb.	2.9	2.7	3.6	3.3	22	- 8
Eye bread	1 lb.	7.8	7.7	7.7	7.7	0	0
Whole wh. bread	1 lb.	8.0	8.5	8.4	8.4	1	0
Macaroni	1 lb.	12.7	11.7	11.4	11.4	3	0
Soda crackers	1 lb.	15.4	13.5	14.7	14.7	9	0
Peanut butter	1 lb.	13.2	11.6	18.2	18.7	6	3
53 foods combined	Annual family consumption	\$ 191	\$ 183	1/\$189	2/\$191	4	1
1/Revised	2/Preliminary.					50	54

3/Less than 0.5 percent



Table 6 .- Farm products: Indexes of prices at several levels of marketing,  
1935-39 = 100

Year and month	Foods				Fibers		Whole-			Prices paid by farm- ers
	Cost	Retail	Whole-	Farm	Retail	Whole-	Farm	sale	Farm	
	of	prices	prices	prices	prices	prices	prices	prices	prices	
	living:	of	sale	of	of	of	cotton:	all	all	
	city	all	prices	58	cloth-	tex-	and	farm	pro-	
	fa-	foods	2/	foods	ing	tile	wool	pro -	ducts	
	milies:	1/	:	3/	1/	pro-	4/	ducts	3/	3/
	1/	:	:	:	:	ducts	:	2/	:	:
	:	:	:	:	:	2/	:	:	:	:
1913	71	80	81	95	69	81	111	94	95	81
1914	72	82	82	97	70	77	97	94	95	80
1916	73	91	96	110	78	99	131	111	111	100
1918	108	134	151	174	128	193	281	195	190	141
1920	143	169	174	193	201	232	282	198	199	162
1929	122	132	126	138	115	127	167	138	137	123
1932	98	86	77	62	91	77	55	63	61	86
1935	98	100	106	98	97	100	109	104	102	100
1936	99	101	104	108	98	101	114	106	107	100
1937	103	105	108	113	103	107	111	114	114	105
1938	101	98	93	92	102	94	81	90	89	98
1939	99	95	89	89	100	98	85	86	88	97
1940	100	97	90	94	102	104	97	89	92	99
1941	105	105	105	116	106	119	131	108	115	105
1939 - Aug.		94	85	85		96	85	80	83	96
Sept.	101	93	95	95	100	101	91	90	92	98
1940 - Jan.		95	91	94		110	101	91	93	98
Mar.	100	96	89	91	102	104	99	89	91	99
July		97	89	91		102	96	88	89	98
1941 - Nov.	110	113	113	130	114	128	154	119	127	113
Dec.	110	113	114	134	115	129	157	125	135	115
1942 - Jan.	112	116	119	138	116	132	164	133	140	117
Feb.	113	117	120	138	119	134	171	133	157	118
Mar.	114	119	122	139	124	136	174	135	157	121
Apr.	115	120	125	143	126	138	183	138	141	121
May	116	122	125	143	126	138	184	137	143	122
June	116	123	126	145	125	137	176	137	143	122
July	117	125	125	148	125	137	178	139	142	122
Aug.	118	126	127	153	125	137	174	140	152	122
Sept.	118	127	130	154	126	137	179	142	151	123
Oct.	119	130	5/131	5/159	126	5/137	5/182	5/143	156	124
Nov.	120	6/131	6/131	6/161	126	6/137	6/184	6/145	158	125

1/ From "Changes in Cost of Living" Bureau of Labor Statistics.

2/ Calculated from figures of the Bureau of Labor Statistics.

3/ Based on figures published by the United States Department of Agriculture.

4/ Cotton and wool prices weighted by production in the period 1935-39.

5/ Revised.

6/ Preliminary estimate.



Table 7 -- Indexes of food costs, consumer income and of charges and hourly earnings in marketing, 1935-39 = 100

Year and month	Hourly earnings in marketing enterprises									
	Retail: cost of 58 : foods	Non- agricultural income payments 1/	Monthly earnings : per employed factory : worker	Payments: to : farmers : for 58 : 2/	Marketing: margin : of : 58 : foods	Class 1 : steam : railways : 3/	Food : processing : 4/	Food : marketing : 5/	Cotton : processing : 4/	
1929 .....	125	122	118	138	115	93	-	-	-	
1935-39 average.....	100	100	100	100	100	100	100	100	100	
1940 .....	95	115	111	94	95	105	110	105	106	
1941 .....	103	137	131	116	93	106	116	110	119	
1941 - Nov. ....	110	144	140	130	95	106	121	113	130	
Dec. ....	110	150	143	134	93	119	123	114	130	
1942 - Jan. ....	114	152	150	138	96	119	125	117	131	
Feb. ....	115	154	149	138	97	122	125	119	131	
Mar. ....	116	156	149	139	98	119	126	118	132	
Apr. ....	116	158	153	143	97	118	128	119	132	
May ....	118	160	157	143	99	118	129	120	136	
June ....	120	164	160	145	102	117	130	120	136	
July ....	121	167	166	148	101	117	128	120	137	
Aug. ....	121	168	168	153	97	117	128	120	141	
Sept. ....	122	169	171	154	99	119	130	122	142	
Oct. ....	125	6/172	6/174	159	100	-	-	-	-	
Nov. ....	126	-	-	161	100	-	-	-	-	

1/ United States Department of Commerce estimates. Adjusted for seasonal variation. New series.

2/ Prepared in the Bureau of Agricultural Economics from data of the United States Bureau of Labor Statistics, adjusted for seasonal variation.

3/ Compiled from data published by the Interstate Commerce Commission.

4/ United States Bureau of Labor Statistics.

5/ Weighted composite of earnings in steam railways, food processing, wholesaling, and retailing.

6/ Preliminary estimates.



UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington, D. C.

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